

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHTC #1992/01 3191206  
ZNY CCCCC ZZH  
O 151206Z NOV 07  
FM AMEMBASSY THE HAGUE  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0689  
INFO RUEHMO/AMEMBASSY MOSCOW PRIORITY 1754  
RHEHNSC/NSC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/CJCS WASHDC PRIORITY  
RUEHZG/NATO EU COLLECTIVE

C O N F I D E N T I A L THE HAGUE 001992

SIPDIS

SIPDIS

E.O. 12958: DECL: 11/13/2027  
TAGS: [PREL](#) [PGOV](#) [KDEM](#) [ECON](#) [PINR](#) [IR](#) [RU](#) [KO](#) [NL](#)  
SUBJECT: NETHERLANDS/RUSSIA: BALKENENDE MIXES BUSINESS  
WITH PRESSURE

REF: A. THE HAGUE 1985  
[1](#)B. POL/ECON IN THE NL 11/09/07 AND 11/14/07

Classified By: AMBASSADOR ROLAND E. ARNALL FOR REASONS 1.4(B/D).

[1](#)1. (C) SUMMARY: During his November 5-8 visit to Moscow, Dutch Prime Minister Balkenende engaged Russian President Putin on tough issues such as Kosovo, Iran, and human rights in addition to announcing a major multi-billion dollar gas pipeline deal (reported septels). Balkenende believes that strong economic ties with Russia and demonstrating respect for Russian pride are the keys to influencing Putin. Although Balkenende claimed to have delivered a strong and clear message on the need to respect democratic norms, he was later criticized in Parliament for appearing to place Dutch economic interests ahead of human rights concerns. END SUMMARY.

[1](#)2. (C) In a November 13 meeting with Ambassador Arnall, Dutch Prime Minister Jan Pieter Balkenende expressed satisfaction regarding his November 5-8 visit to Moscow. Without directly referring to the substantial new energy cooperation agreements announced during the visit -- for which Balkenende has been criticized in Parliament (refs) -- Balkenende argued that the Netherlands' growing economic ties to Russia make it possible to engage Russian President Putin directly on the most difficult issues. Balkenende stressed that he did not shy away from discussing sensitive issues, such as human rights, both in public and in his private conversations with Putin.

[1](#)3. (C) Balkenende proudly noted that he and Putin were able to conduct nearly all of their conversations in German, which, he said, allowed for a more open and direct conversation than working through translators. Putin, he added, was obviously a clever guy who was well briefed on every issue discussed. According to Balkenende, Putin readily acknowledges that there are serious problems in Russia, such as corruption, and was willing to listen to constructive criticism. At the same time, however, Putin remains sensitive to perceived slights to Russia's status as a great power, and is motivated -- in Balkenende's view -- as much by national pride as by geopolitical or economic considerations. Treating Putin, and Russia, with respect, therefore, is a necessary first step before engaging on tough issues.

KOSOVO:  
-----

[1](#)4. (C) According to Balkenende, Putin showed little concern over the lack of progress on Kosovo. Asked what would happen

if no agreement satisfactory to both sides can be reached by December 10, Putin told Balkenende: then we go to December 11. Putin also reportedly tried to downplay the potential for regional instability by noting that other countries in Europe -- such as Belgium or Ireland -- are also divided along ethnic, religious, or linguistic differences. Balkenende dismissed these arguments and stressed that there is no point in talking and talking without ever reaching a solution. On the other hand, Balkenende made clear to Ambassador Arnall that he is deeply worried about divisions within the EU should Kosovo unilaterally declare independence, a development that would post the most serious challenge to the EU in fifteen years.

#### IRAN/MISSILE DEFENSE:

15. (C) On Iran, Balkenende said he had impressed on Putin the importance of maintaining a united front to ensure Iran does not succeed in acquiring nuclear weapons. He also underscored the key roles of the IAEA and the UNSC, and the potential damage to their credibility should Iran continue to ignore its obligations. Balkenende said Putin had demonstrated a deep understanding of the situation and appeared genuinely concerned. He added that the Russians believed they had detected a new, more positive tone in their recent dealings with Iran (and with Supreme Leader Khomeini in particular), but did not elaborate. (Note: Per ref A, MFA Political Director Pieter de Gooijer is in Tehran this week.)

16. (C) On the related issue of missile defense, Balkenende was pleased that recent talks between senior U.S. and Russian officials appeared to have taken some of the heat out of Russian opposition to a U.S.-proposed missile shield in Eastern Europe. That said, the sides clearly remained far apart and it will be difficult to find a compromise. Putin, he added, continued to push for increased dialogue between Russia and NATO on this issue.

#### DEMOCRACY AND HUMAN RIGHTS:

17. (C) Balkenende was adamant that he was not afraid to raise human rights concerns during his visit. He noted that he met with NGO's working on civil society and rule of law projects receiving assistance from the Netherlands. In his private meetings with Putin, and in his press interviews, he had also stressed the Dutch commitment to democracy and the rule of law. (Note: Per ref B, Putin apparently later criticized Balkenende for some of his public remarks.) Balkenende stressed, however, that such comments would fall on deaf ears if not accompanied by appropriate gestures of respect and understanding for Russia's unique situation. Unlike the U.S. or the Netherlands, Russia has had at most sixteen years of democracy. Putin, he added, is admired internally for his strong leadership -- to the point that most Western leaders should and do envy his popularity ratings.

#### COMMENT:

18. (C) Balkenende was obviously impressed by Putin and feels that he is someone he can do business with -- literally, in fact. The announcement of a multi-billion dollar accord between Gazprom and the Dutch gas company Gasunie during the visit opened the Prime Minister to criticism -- including from some members of his own party -- for appearing to place Dutch economic interests ahead of human rights' concerns. The fact that the deal was announced the same week the Foreign Minister publicly presented the Cabinet's new, more aggressive international Human Rights Policy to Parliament only heightened the contrast and further motivated Balkenende's opponents to attack him; at one point, Foreign Minister Verhagen found himself calling the Prime Minister in Moscow directly from Parliament for guidance. Several contacts have since acknowledged that holding the two events so close together was a serious miscalculation.

